GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3492
ANSWERED ON:26.04.2007
AGREEMENTS BY ONGC WITH FOREIGN COUNTRIES
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Oil and Natural Gas Corporation (ONGC) proposes to sign agreements with Eni to stake in Congo oil block and in return give the Italian firm 30-35 percent stake in the Mahanadi Basin block;

(b) if so, the details in this regard;

(c) whether ONGC has entered into agreements with any other foreign firms for exploration work during the last few years; and

(d) if so, the benefits accrued to ONGC from such agreements?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) & (b) : Yes, Sir. Oil & Natural Gas Corporation (ONGC) and Eni have agreed for swap of Participating Interests (PI) in Exploration Blocks MN-DWN-2002/1 in India and MTPN in Congo. Farm-out/Farm-in-agreements for Blocks MN-DWN-2002/1 and MTPN Congo have been signed by ONGC and ENI on 14th February, 2007. Through these agreements, ONGC has agreed to assign 34% PI in Block MN-DWN-2002/1 to Eni India and Eni has agreed to assign 20% PI in Block MTPN in Congo to ONGC Videsh Limited(OVL). The proposed assignments are subject to approval of the Govt. of India and the Govt. of Congo for the respective blocks.

(c) : Yes Sir, ONGC alongwith foreign companies has entered into Production Sharing Contract under various rounds of New Exploration Licensing Policy (NELP) with Government of India to jointly explore Indian sedimentary basins for production of oil and gas during the last few years.

(d) : The benefits expected out of these agreements are sharing of risk of exploration, induction of suitable cost effective technology, knowledge, acquisition, technology assimilation and technology transfer in the deep water and frontier areas. In some of the blocks such partners are expected to bring their knowledge of the area as they have been operating successfully in similar geological domains across international boundaries. Foreign partners would bring in new concepts and ideas in the blocks in known and producing areas, where ONGC is operating.